Wealth, poverty and welfare

This section has looked at a variety of explanations for the distribution of income, wealth and, to a limited extent, poverty. In the next section, however, we are going to focus directly on poverty as a form of social and economic inequality by looking at theories that seek to explain both its existence and persistence.

Social Focus on Men (Office for National Statistics, 2001)
[Source: BBC News: 12/07/01]

UK is ‘still a man’s world’

Men are still getting a better deal at work and at home despite years of campaigning to promote sexual equality. Men do much less cooking and housework than women and are still rewarded better in their careers. The gender pay gap is still very much in evidence and men hold more high-powered jobs than women, even though more women are working.

Family life is changing, with men no longer always being seen as the primary providers, but men are still not pulling their weight in the home: ‘Traditional roles in the home may still exist with women undertaking the bulk of domestic chores.’

Work life: Men also still have higher wages despite equal pay legislation, and ‘outnumber women in management and in many professional occupations’. This is despite evidence men are now ‘outperformed by women at many levels of education’.

The average gross wage for men is £247 a week, compared with £119 for women.

The average gross earnings for women peak in their mid-20s at about £180 a week. Men, on the other hand, steadily rise in earning potential to an average £350 a week for the ages 35–50.

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The existence and persistence of poverty

Introduction

Discussion of different explanations of the existence and persistence of poverty in this
section is organised around two main themes, based on an outline and examination of theories relating to:

- **individualistic** (or **cultural**) explanations of poverty
- **structural** explanations of poverty.

**WARM UP: PERSONAL PERSPECTIVES ON POVERTY**

Individually or in small groups (using the following table as a guide) identify:

1. As many **individual** reasons as possible for poverty (focusing on the idea it results from deficiencies in the behaviour of the poor).
2. As many **social** reasons as possible (focusing on the idea it results from the behaviour of the **non-poor**).

When you’ve exhausted all possibilities, as a group decide on a point score for each reason, based on the following:

- 5 points if you think it’s a **very important** consideration
- 3 points if you think it’s an **important** consideration
- 1 point if you think it’s a **not very important** consideration

Total the points you’ve awarded in each column to arrive at an assessment of your personal perspective on poverty.

<table>
<thead>
<tr>
<th>Individual Reasons</th>
<th>Social Reasons</th>
</tr>
</thead>
<tbody>
<tr>
<td>The poor are idle and lazy</td>
<td>The rich take more than their fair share of economic resources</td>
</tr>
<tr>
<td>Further reasons . . .</td>
<td>Further reasons . . .</td>
</tr>
<tr>
<td>Total points</td>
<td>Total points</td>
</tr>
</tbody>
</table>

**Individual (cultural) explanations**

**Preparing the ground**

Explanations for poverty grouped under this general heading focus on the qualities possessed (or not as the case may be) by individuals and the groups to which they belong. This being the case, if poverty is a ‘quality of the poor’ it follows any explanation for its existence and persistence is based on some form of **absolute definition** of poverty (either biological or, more usually, cultural – a minimum level of earnings, for example). This follows because, if the behaviour of the poor is a cause of their poverty, any solution to poverty (something we will discuss in more detail in the next section) will focus on how the poor need to change their behaviour – which means there must be some form of poverty line against which to measure who is – and who is not – in poverty.

In terms of this general type of explanation, we can identify and discuss a range of different theories, beginning with the idea of a **culture of poverty**, originally developed by the anthropologist **Oscar Lewis** (*Five Families*, 1959; *The Children of Sanchez*, 1961). In his study of Mexican and Puerto Rican societies, Lewis wanted to understand poverty in a **cultural context**; that is, he wanted to understand how the poor adapted to and coped with the fact of their poverty; in this respect, he argued poverty, like any other form of cultural activity, was
Wealth, poverty and welfare

socially organised. Rather than seeing poverty as simply being caused by random events (such as illness or disease) or natural forces that struck different people at different times, Lewis argued the persistence of poverty across generations meant it needed to be understood in terms of a socialisation process. In other words, adults who experience poverty as a set of objective conditions (such as the effects of long-term unemployment, low rates of pay for those in work, illness, disability and so forth) learn to cope with the fact of living in poverty and, in the process, pass this knowledge on to their children (in the same way those who live outside poverty pass their accumulated knowledge on to their children). The persistence of poverty, therefore, is explained by the way each generation socialises the next generation with the knowledge and skills required to live in poverty.

As should be apparent, if a culture of poverty develops it does so because it performs certain functions for the poor (hence we can associate writers like Lewis with a broadly functionalist perspective). These include:

- **Informal economies**: For example, the use of pawnbrokers as a way of budgeting on limited resources or informal borrowing and lending arrangements with friends and neighbours.
- **Present orientations**: The idea of ‘living for today’ and worrying about what will happen tomorrow or the next day when (or even if) it arrives.
- **Informal living arrangements**: For example, a lack of commitment to institutions such as marriage which would involve trying to provide for others as well as oneself.

On the other hand, a culture of poverty is, ultimately dysfunctional (damaging to both individuals and societies) because it represents a self-defeating strategy. By adapting and coping, the poor do not address the problems that create poverty in the first place (things like lack of employment and low wages). The development of informal economies, for example, may lead to the introduction of moneylenders into the economy of poverty. Borrowing money in this way may resolve a short-term problem (paying the rent, for example) but it creates a much more serious long-term problem since the money not only has to be paid back, but paid back with punitive rates of interest.

A further dysfunctional aspect of a culture of poverty is the ‘absence of childhood’. Lewis, for example, noted children, at an early age, were expected to be economically active – to ‘earn their keep’ and contribute, if they could, to a family income; the problem here, of course, was the absence of schooling – low rates of literacy were common among the poor Lewis studied – and since education is one of the main (long-term) routes out of poverty the poor were, effectively (and unknowingly) perpetuating their own poverty.

Cultural theories have been influential as a way of studying and explaining the existence and persistence of poverty and, as you might expect, they have been revised and updated over the years. The following, for example, takes one particular aspect of the culture of poverty thesis – the idea the adaptive behaviour of the poor contributes to their continued poverty – and develops it into a theory of the underclass. This theory, associated with New Right perspectives in the USA – through political scientists like...
• The **deserving poor** – those who, through little fault of their own, find themselves in poverty (and who, to some extent, try to lift themselves out of this situation – hence the idea they are deserving of help). This group, for example, might include the ‘working poor’ who struggle to exist on low wages.

• The **undeserving poor** – those who are (supposedly) happy to exist on the margins of society, living off state benefits, indulging in various forms of petty criminality and who, for whatever reason, make little or no effort to involve themselves in the day-to-day life of mainstream society.

**Charles Murray** (*The Underclass Revisited* 1999) – and Britain, through the work of politicians such as **Frank Field** (*Losing Out: The Emergence of Britain’s Underclass*, 1989 and *Making Welfare Work*, 1995), argues the very poor in the USA and – to a more limited extent – Britain, constitute a ‘class apart’ from mainstream society. They are, according to this argument, a class who not only exist at the very bottom of the society but who are also socially excluded in terms of income, life chances and political aspirations.

**Mike O’Brien** (‘Beyond Poverty’, 1997) notes New Right theorists frequently make an important (ideological) distinction between two groups.
their deviant lifestyles through state benefits. In terms of who the undeserving poor actually are, their membership varies according to different writers. Peter Saunders (Social Class and Stratification, 1990), for example, identifies the underclass in terms of the poor, educationally unqualified and those irregularly or never employed. Ruth Lister (‘In Search of the “Underclass”’, 1996), on the other hand, argues the New Right generally characterise membership in terms of ‘those distinguished by their undesirable behaviour’, examples of which include:

- illegal drug-taking
- criminality and casual violence
- illegitimacy
- failure to find and hold down a job
- truancy from school.

In addition, disproportionately represented amongst this class are:

- ethnic minorities (especially, but not exclusively, Afro-Caribbean)
- people trapped in run-down council estates or decaying inner cities
- young single people
- single-parent families.

For the New Right (especially in the USA), the development of an underclass is, somewhat perversely, also a consequence of the behaviour of mainstream society, in two main ways:

- **Welfare systems** providing various forms of economic support shield the poor from the consequences of their behavioural choices. By supporting poverty, welfare systems also support:
  - Deviant lifestyles and moralities: The poor are shielded from the effects of the moral choices that contribute to their poverty. For example, single parents who choose to have children they cannot support (because they can’t work and look after children at the same time) are actively encouraged by a welfare system that effectively pays (through benefits funded through taxation) for their (deviant) moral choices.

These ideas lead to a further theory of poverty, closely related to that of the underclass, namely a dependency culture: The basic idea here is the existence of state welfare systems and payments both supports and traps the poor in poverty, depending on the particular view of the underclass adopted. In this respect, we can note three basic views about the relationship between a dependency culture and the underclass.

- **Generosity**: Benefits are so high they provide the underclass with a comfortable existence for little or no effort.
- **Baseline**: Although benefits may not provide a comfortable lifestyle, the fact the poor can live without (officially) working means they are free to involve themselves in the hidden economy (the world of cash-in-hand, tax-free work as well as various forms of economic criminality).
- **Low-wage work**: Members of the underclass, almost by definition, lack the educational skills and qualifications to find highly paid work. Their working options, therefore, are largely limited to low-skill, poorly paid work. Where welfare benefits are pitched at even a reasonably generous level, therefore, it is
not in the economic interests of the underclass to take low-paid employment. It is interesting to note, in this particular context, the New Right ‘solution’ to this problem is not to force employers to pay higher wages (since that would interfere with the workings of free markets) but rather to cut the level of state benefits.

In any of these situations, those who become dependent on the state for their existence become detached from wider society and are effectively excluded from participation in that society. Mike O’Brian (1997) characterises this New Right view of dependency in the following terms:

Beneficiaries, it is argued, constitute a separate culture ... with a different set of values and beliefs from the values and beliefs that exist in the society at large. ‘Dependence’ is a state enjoyed and relished. It is an argument ... reflected, for example, in the ... claim five-year-olds were entering school looking forward to life on social security benefit as their occupational aspiration.

In Britain, the idea of an underclass has tended, politically, to be expressed in a slightly different form. Although US New Right theorists (such as Murray) generally focus on the qualities of the poor as the cause of their poverty, British writers like Field have, in some senses, characterised the ‘underclass poor’ as victims of forces of expulsion from society, which include:

- unemployment
- widening class differences
- exclusion from rapidly rising living standards
- hardening of public attitudes to poverty.

In this respect, a softer version of underclass theory, largely associated with social democratic perspectives on poverty, has developed around the concept of social exclusion. Katherine Duffy (‘Social Exclusion and Human Dignity in Europe’, 1995) defines social exclusion as the ‘Inability to participate in the economic, political, social and cultural life of a society’ (which, if you think about it, sounds very much like a definition of relative poverty). The notion of exclusion reflects, according to Howarth et al (‘Monitoring poverty and social exclusion’, 1998) ‘Renewed concern about not just poverty, but the degree to which groups of people are being excluded from participation in work, lack full access to services and in other ways find themselves outside the mainstream of society’.

From this perspective, therefore, while poverty may have many causes, some relating to wider structural influences (such as economic changes within labour markets – discussed in more detail below – that create widespread unemployment) and some relating to the lifestyles and culture of the poor, the ‘problem’ for mainstream society is considered to be one of social integration. In other words, the political problem of how to ensure the poor do not become culturally (as well as economically) detached from mainstream society. The government funded Social Exclusion Unit, for example, has identified three general areas of potential social exclusion and suggested ways of reintegration the excluded in terms of their:

- **Physical environment**: This involves integrating people by improving local and national transport systems, housing and neighbourhood renewal, community regeneration and so forth.
- **Cultural environment** measures involve cutting crime and teenage pregnancy,
Wealth, poverty and welfare

reducing the fear of crime, improving access to educational training and skills and ensuring health services are accessible to those who need them most.

- Economic environment: This involves understanding the causes of unemployment (and its relationship to areas such as health and crime). Social integration initiatives have also focused on paid work as an inclusive force. Schemes to involve the unemployed in training and employment (so-called ‘welfare-to-work’ schemes) have also proved a popular political solution to social exclusion.

In Britain, the social democratic concept of exclusion is subtly different from the New Right version of underclass theory; where the latter locates poverty in the behaviour and practices of the poor – Horowitz (‘On the Dole in United Kingdom’, 1995), for example, sees poverty as being explained ‘more by self-destructive behaviour (sic) – crime, drug abuse, bearing children out of wedlock and a lack of commitment to education – than mere material want’ – the former sees poverty in terms of a mix of material and cultural factors.

As Welshman (‘The cycle of deprivation and the concept of the underclass’, 2002) argues: ‘In drawing on the concept of social exclusion, New Labour has been keen to distance itself from the longer-term “underclass” discourse’. Keeping this in mind, therefore, we can note how the idea of social exclusion has been based on the idea of a cycle of deprivation (pictured overleaf). For this type of theory, deprivation is usually considered in terms of material factors (such as a low family income) having cumulative, cultural, effects. A simple example might be parents living on a low income (material deprivation) means their children have a poor diet, which causes health problems and missed schooling and leads to educational failure (cultural deprivation) which, in turn, leads to low-paid, low-skill work.

Discussion point: inclusion and exclusion

In small groups, use the following table as the basis for identifying some of the ways the poor may be socially excluded from mainstream society.

For each way you’ve identified, what policies could be developed by governments to ensure social exclusion doesn’t occur?

<table>
<thead>
<tr>
<th>Forms of exclusion</th>
<th>Policies?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Living in run-down housing estates</td>
<td></td>
</tr>
<tr>
<td>Truancy from school</td>
<td>Prosecute parents who don’t send their children to school</td>
</tr>
<tr>
<td>Further examples</td>
<td></td>
</tr>
</tbody>
</table>
When these people start families of their own, the cycle begins anew.

An example of this type of theory might be expressed in the following report of research suggesting a link between poverty and school truancy.

This theory, as I have represented it, doesn’t involve the poor being ‘committed to poverty’, nor are they (directly) to blame for their poverty (a process sometimes called ‘blaming the victim’). Rather, a range of social and economic factors, whose effect is cumulative (hence the idea of a cycle or chain of events), lead to the persistence of poverty down the generations.

Digging deeper

Although we will look more closely at cultural explanations in the next section (which discusses possible solutions to poverty), we can note a number of general ideas about the basic concept of cultures of poverty. When we think about this idea (as originally theorised and presented by Lewis) we need to ask three basic questions:

- **Do they exist?** Although the concept itself is a plausible one, it depends for its currency on the existence of a reasonably stable group of people, co-existing in poverty over time (and by time we’re talking generations). The evidence we have suggests poverty – at least in Western societies such as Britain – doesn’t necessarily have this basic characteristic.

  **Drever** et al (‘Social Inequalities’, 2000), for example, note that, measured in terms of income, in the six years between 1991 and 1997, 50% of the bottom fifth of the UK population (in other words, the very poorest in our society) moved out of this category. This suggests, at the very least, a large population churn, something also suggested by **Jarvis** and **Jenkins** (‘Changing places’, 1997) when they note:

  [Although only a minority of the population have a low income in any given year, many more people experience low income at least once over a four-year period . . . Fluctuations in income are experienced by people at all income levels. There is some evidence that mobility is greater in the very poorest and the very richest income groups.]

  On the other hand, **Jarvis** and **Jenkins** also note that, as ever, concepts of poverty largely depend on where a poverty line is drawn: ‘90% of those in the poorest tenth of the population remain in the bottom three-tenths a year later’. The situation is further confused if we focus on a particular group of poor.

  **Howard** et al (‘Poverty: the Facts’, 2001), for example, argue poverty is likely to last longer for children, in the sense that where children are born into poverty (as

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‘**Link between Poverty and Truancy**’

Children are more likely to skip school if they come from poor families. Research carried out by Ming Zhang found a close link between poverty and truancy among primary school children. The study, examined statistics from London boroughs between 1997 and 2000.

[BBC News: 07/07/02]
opposed to becoming poor, for whatever reason, in later life) they find it very difficult to escape from that poverty – it is, they argue, something they carry with them into adult life. The Department for Work and Pensions (‘Low Income Dynamics’, 2002), confirm this idea when they note how movement out of extreme poverty in the UK tends to be not very far.

What these types of study suggest, perhaps, is that people experience different types of poverty throughout their lifetime – from extreme forms to less extreme forms (whatever, in practice, each form might involve). In other words, just because we may be able to classify people as ‘poor’ it doesn’t simply follow they all have the same, shared, experience of poverty. If the evidence for the existence of a relatively stable group is, at best, inconclusive, a further question to ask is:

- **Are the poor homogeneous?** In other words, if we assume, for the sake of argument, a ‘hard core’ poverty-stricken group does exist in our society, do they have the same basic social and cultural characteristics? When we look at ‘the poor’ in our society, although it’s possible to identify broad groups with similar characteristics, the evidence for homogeneity – and hence the development of cultures of poverty – is patchy. We can, for example, note:

  - **Ethnic minority groups**, particularly Pakistani and Bangladeshi minorities, feature more heavily in poverty statistics, according to Oxfam (‘The facts about poverty in the UK’, 2003).
  - **Regional variations** in our society exist in the extent, experience and distribution of poverty. Department for Work and Pensions (‘Households Below Average Income’, 2002) statistics, for example, show the North-East and South-West of England experience higher levels of poverty than the South-East of England.

- **Age variations**: Different age groups have different experiences of poverty – to be young and poor is different to being elderly and poor, for example.

- **Women** are more likely than men to be at risk of poverty (Department of Social Security: ‘Households Below Average Income’, 2001) and reasons for this include the greater likelihood of their being single-parents and, because of longer life expectancy, widows. This observation, however, leads us to our final question, namely:

- **Is poverty communal?** A significant aspect of cultures of poverty is their communal character; such cultures develop in a situation where the values and norms of the poor are continually reinforced by people in similar social situations. However, it’s interesting to note how, when those in poverty speak for themselves, they repeatedly stress its isolating effects (as the following examples demonstrate).

Poverty is isolating. You do not want anyone to know what you are feeling . . . you put on a brave face and do not let anyone into your private life.

In part it is about having no money. It is also about being isolated, unsupported, uneducated, unwanted.

**Source**: UK Coalition Against Poverty Workshop 2000
In light of the above, Karen Moore (‘Frameworks for understanding the intergenerational transmission of poverty’, 2001) argues:

‘Controversial ‘culture of poverty’ theories suggest people become and remain poor due to their beliefs and behaviours . . . it may be more relevant to consider ‘cultures of coping’ among the poor, and ‘cultures of wealth? among the rich and middle class as significant factors in keeping the poor in poverty’.

Rather than thinking in terms of a culture of poverty, Moore suggests we should view poverty in terms of Inter-Generational Transmission (IGT). This represents a sophisticated attempt to understand the persistence of poverty in terms of the interplay between a range of cultural and structural factors. In addition, it provides a bridge between the overtly cultural theories we have just examined and the ‘structural poverty’ theories we’ll consider in more detail in a moment. Moore outlines the key elements of IGT as being the ‘Intergenerational transfer . . . and absence of transfer of different forms of capital: human, social-cultural, social-political, financial/material and environmental/natural’. In other words cultural transmission is a complex process involving a wide range of possible capitals we can group, for convenience, under two main headings.

- Material capital involves things like parental ability to provide financially for children. Gregg et al (‘Child development and family income’, 1999), for example, used a longitudinal study of children born in 1958 to show how ‘Social disadvantage during childhood is linked to an increased risk of low earnings, unemployment and other adversity by the age of 33’.

- Non-material capital, which includes things like cultural traditions, values and experiences. Shropshire and Middleton (‘Small expectations: Learning to be poor?’, 1999), for example, noted how non-material values were transmitted between generations. Children of single-parent families, for example, had ‘lower expectations about their future than their peers’ – they were, for example, less likely to consider professional qualifications and occupations.

### Structural explanations

#### Preparing the ground

This type of explanation for the existence and persistence of poverty examines the way behavioural choices are limited (or extended) by structural factors in society. Whereas the kind of theories we’ve just considered (individual or cultural) share a couple of common themes (the behaviour of the poor is a social problem and the causes of poverty are found in the attitudes and lifestyles of the poor themselves), for this second set of theories the causes of poverty are located in areas such as the behaviour of governments and/or the wealthy and economic changes in society. We can identify a range of structural theories of poverty, beginning with the idea of labour market changes. Since the Second World War at least, our society – in common with
many societies around the globe — has witnessed a relative decline in manufacturing industry, in terms of the number and type of products built and the number of people employed. One reason for this, as the following extract (Roland Gribben: ‘Dyson production moves to Malaysia’) illustrates, is the relocation of some manufacturing industries from the UK to other countries (where production costs are much cheaper).

Alongside this long-time decline, however, has been a general rise in the numbers employed in service industries (such as banking, information technology and communications at the well paid end and call centres and sales at the low paid end).

Growing it yourself: IGT

The following table provides general examples of each type of capital identified by Moore (p. 33).

<table>
<thead>
<tr>
<th>Intergenerational forms of capital</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type of capital</strong></td>
</tr>
<tr>
<td>Human</td>
</tr>
<tr>
<td>Natural/environmental</td>
</tr>
<tr>
<td>Socio-cultural</td>
</tr>
<tr>
<td>Socio-political</td>
</tr>
</tbody>
</table>

For each type of capital in turn, write a paragraph (120-150 words) in the following format:

- **Identify** the type of capital you are discussing.
- **Define** what it involves.
- **Explain**, using an example, how its transmission between generations can advantage/disadvantage the poor and/or the non-poor.
Dyson production moves to Malaysia
Roland Gibben: 21/08/03

‘Entrepreneur James Dyson was involved in a fresh row over exporting jobs yesterday after announcing he planned to switch production of washing machines to Malaysia with the loss of 65 jobs. The decision means the end of manufacturing for Dyson in Britain after last year’s decision to move vacuum cleaner production to Malaysia, where production costs are 30% lower. The transfer resulted in the loss of 800 jobs’.

We can note how such changes have impacted on poverty in a number of ways.

- **Unemployment**: Although this concept, for a variety of reasons, is difficult to reliably measure (different governments, for example, use different indicators of unemployment), it is clear one consequence of changing labour markets over the past 25 years in Britain has been fluctuating levels of unemployment – something that’s especially true among manual workers (one consequence of the loss of manufacturing jobs). We need to note, however, unemployment and poverty – where they are related to the loss of such jobs – are:

- **Regional**: In this respect, experience of poverty in the UK can be characterised as fragmented. Areas, such as the North of England and Scotland, with high levels of manufacturing (such as car assembly and ship building) and extraction industries (such as coal mining) have experienced higher levels of unemployment than areas with lower levels of manufacturing and higher levels of service industry, such as the South East of England.

Bennett et al (*Dealing with the Consequences of Industrial Decline*, 2000), for example, note how ‘Coalfield communities remain blighted by widespread unemployment, long-term sickness and poverty a decade after the collapse of the mining industry’ and Evans et al (*Geographic patterns of change*, 2002) have noted that although ‘Every neighbourhood in England has benefited from strong economic growth and falling unemployment since the mid-1990s’, the rate of change has varied. This has led, they argue, to greater polarisation between the richest and poorest regions.

- **Income**: Although levels of measured unemployment have fallen in recent years, a further consequence of labour market changes has been the replacement of relatively high paid manufacturing work (especially semi and skilled manual jobs) with lower paid, insecure, service sector work. As Bennett et al (2000) note:

Companies have been able to hire people willing to work flexibly for low wages, often in non-unionised workplaces. The new jobs have often been part-time . . . Much of the work created has gone to women – creating tensions in communities where men have traditionally seen themselves as breadwinners.

- **Globalisation**: A further structural development we can note is the insecurity of some service sector jobs (call centres being an obvious current example – as the following extract illustrates). The globalisation of telecommunications and computer technology, for example, has opened up opportunities for companies to
employ cheaper labour, in countries such as India, to service customers in the UK.

**Profits of loss**

*Charlotte Denny: The Guardian, 25/11/03*

South Africa and India are the new destinations of choice for British companies looking to cut costs. Call centres and IT processing, and even such high-skilled work as pharmaceutical research, are being ‘offshored’. White-collar workers are discovering they are as vulnerable to competition from cheaper workers abroad as steelworkers and shipbuilders a generation ago. Unions fear the service sector is about to repeat the experience of manufacturing, which has lost 3.3m jobs since 1980.

A second form of structural argument, related to the idea of labour market changes and the impact of economic globalisation, is the idea – largely associated with Marxist perspectives – that some form of poverty is inevitable in capitalist society. This follows because such societies are, by definition, unequal in terms of the distribution of wealth and income. In any economic system where competition is the norm, relative differences will always exist. The main question here, however, is how you define poverty. In *absolute terms*, for example, few people in our society could be considered poor; in *relative terms*, however, it is clear there are wide disparities between the richest and poorest sections of society. More controversially perhaps, we could note the idea of poverty as a necessary condition of capitalism – the idea that the existence of the poor (or relatively deprived if you prefer) is useful for a ruling class since they can be used as a reserve army of labour whose existence can be used to control wage levels and hence profitability.

One aspect of this ‘necessary and inevitable’ relationship between poverty and capitalism is the concept of social segregation. Structural theories of poverty have suggested the existence of economically segregated groups leads to social segregation and, in some instances, physical segregation – the existence, for example, of private gated communities that are a feature of some US cities and which are increasingly common in the UK.

Atkinson and Flint (‘The Fortress UK?’, 2004), for example, found ‘around 1000 such developments’ which, they argue, relate to ‘patterns of interaction and separation which suggest an attempt to reduce fears of victimisation and promote privacy’.

One downside of poverty (for a ruling class) is the fact the poor – as with other members of society – are consumers; if they can’t afford to buy goods and services, profitability suffers. For many Marxists, therefore, the idea of a welfare system is significant, mainly because it provides some form of safety net for those at the bottom of society. This leads us to note a further aspect of structural approaches to poverty, namely the structural limits of welfare. Although this idea has numerous dimensions, we can understand it by noting an example of the limitations of welfare systems in relation to poverty – namely, the idea of a poverty trap. In any *means-tested* welfare system (that is, one in which people receive different levels of benefits based on things like their income and savings), the problem of a poverty trap is always likely to exist. This is because, as
someone’s income rises (they move, for example, from unemployment into work or from part-time to full-time work) their welfare benefits are accordingly reduced.

For example, if for every extra £1 earned through employment, state benefits are similarly reduced, this creates a disincentive to work (if you’re unemployed) or to take full-time work (if you’re employed part-time). This is because, effectively, you’re not being paid any extra money for the extra work you do. In an attempt to reduce this ‘disincentive to work’, benefit reductions are increasingly staggered as earnings increase. However, according to Department for Work and Pensions figures (‘Opportunity for All’, 2004) over two million Britons are currently caught in a poverty trap.

One reason for this involves considering a slightly different example – a situation where an unemployed person with a family to support loses a range of benefit payments if they find employment. If the level of income they lose from the state isn’t matched or exceeded by the income they can get from paid work, this individual (and their family) will, effectively, be worse off if they take paid employment.

A final aspect of structural approaches to poverty we can note is the idea of the feminisation of poverty. According to the Institute of Development Studies (‘Briefing paper on the “feminisation of Poverty”’, 2001), ‘there is little clarity about what the feminisation of poverty means’.

Notwithstanding this unpromising start, the concept generally relates to the idea the existence and persistence of poverty can be linked to female lives (as head of households) and experiences (of low-paid, part-time, work, for example). In this respect, the argument is that women experience:

- more poverty than men
- worse poverty than men
- an increasing trend to greater poverty.

Elisabetta Ruspini (‘Engendering poverty research’, 2000), for example, argues any structural analysis of poverty needs to take account of its gendered nature. That is, the idea men and women – even of the same social class or ethnic grouping – experience poverty in different ways. For example, welfare and insurance systems reflect, according to Glendinning and Millar (‘Poverty: the forgotten Englishwoman’, 1999), ‘their different access to, and levels of, income replacement benefits’.

⚠️ Digging deeper

Structural approaches, as I have indicated, focus on the way economic organisation and relationships create and sustain both wealth and poverty. In this respect, although such relationships have clear cultural effects (in terms of who is – and who isn’t – likely to experience poverty), structural poverty theorists argue that to understand the existence and persistence of poverty it is necessary to understand its wider theoretical context; people fall into – or fail to get out of – poverty not because of their individual and social character deficiencies but because of way society is structured against them.

Poverty, from this perspective, forces people to behave in certain ways. Thus, although Lewis originally argued cultures adapt to social and economic conditions and, in the process, develop and perpetuate self-defeating strategies, structural theorists argue these strategies are not necessarily
chosen from a wide range of possibilities; rather, they are ‘chosen’ because they are the only ones available to the poor. Rather than blaming the victims of poverty for their poverty, therefore, structural approaches seek to understand how and why there are victims in the first place. Given this observation, we can dig a little deeper into structural approaches by thinking, in the first instance, about poverty as risk. This approach starts by taking note of the structural factors in any society relating to poverty. For example, we have already noted a selection of these in terms of things like: the nature of the economic system; regional differences relating to different types of labour market (and how changes in labour markets result in differences in employment and unemployment) and the impact of globalisation on national and international markets. In addition, we have noted how the risk of poverty may be associated with cultural factors such as gender and ethnicity.

Once these structural factors have been theorised, poverty can then be generally mapped in terms of our ability to identify different social groups who are at greater risk of poverty than others. This concept of risk-mapping moves us away from the simple cultural identification of ‘at risk’ groups – characteristic of individual approaches to explaining poverty – for a couple of reasons.

- **Structural conditions**: Different structural conditions create greater or lesser risks of poverty (which, as ever, will always depend on how poverty is defined).
- **Poverty conditions**: We have noted a central problem with individualistic/cultural theories of poverty is the fact those considered to be ‘in poverty’ at any given moment do not necessarily remain in poverty all their lives. On the contrary, the cyclic nature of poverty frequently means people (or whole groups) move into and out of poverty at different points in their life cycle. This suggests, therefore, that although the identity of ‘the poor’ may change – in terms of specific individuals – the condition of poverty itself remains; it simply involves different people at different times.

We can understand this idea by thinking about Richard Berthoud’s observation (‘Incomes of Ethnic Minorities’, 1998) that ‘Pakistani and Bangladeshi families in Britain are almost four times as likely to be living on low incomes as white households’. Berthoud identifies four major ‘risk factors’ for these groups:

- high male unemployment
- low levels of female economic activity
- low pay
- large family size.

The point to note, here, is not that poverty is explained in terms of the specific cultural characteristics of these minorities; rather, it is that any group sharing these characteristics is likely to risk falling into poverty.

Similarly, Bardasi and Jenkins (Income in later life, 2002) found the ‘risks of old-age poverty for those retiring early are strongly linked to occupation’. Managerial and professional workers, as you might expect, have a reduced risk of poverty – but so do manual workers. Clerical or sales occupations, craft and service workers (police officers and waiters, for example) on the other hand ‘may be especially vulnerable if they stop work early’.
Although the general concept of risk can contribute to our understanding of poverty, attempts have been made to refine this idea in order to relate it specifically to structural factors. We can look at an example of this in terms of memberships theory. Steven Durlauf (‘Groups, Social Influences and Inequality’, 2002), argues this type of theory can be used to examine how poverty is related to the way ‘various socioeconomic groupings affect individuals’ and their behavioural choices, in terms of two different types of group.

- **Exogenous** group membership would include things like gender and ethnicity. In a sense, we can think of membership of these groups largely in terms of ascribed characteristics; for example, as we have seen with ideas like the feminisation of poverty or the relationship between ethnicity and poverty risk, individual life chances can be generally related to membership of such groups.

- **Endogenous** group membership, on the other hand, relates to the specific social and economic circumstances of the individual – Durlauf, for example, points to areas such as residential neighbourhoods, school and work relationships as being significant factors in the poverty/non-poverty equation.

In this respect, memberships theory examines the interplay between structural factors, in terms of how, for example economic segregation, through unemployment and low pay, for example, leads to:

- **Social segregation**, in terms of the idea the poor and non-poor lead different types of life, have different cultural lifestyles and so forth, which, in turn leads to:

- **Physical segregation**, in terms of rich and poor living in different areas, the development of private, gated, communities and the like.

We can summarise these ideas in the following terms: structural factors determine the general extent of poverty/deprivation in any given society. In the UK, for example, general living standards are different to some parts of Africa and South America. In turn, these factors influence the behavioural choices of the rich and the non-poor, in terms of their general cultural characteristics (such as their lifestyles) which, in turn, place cultural limitations on the behavioural choices of the poor, effectively trapping them in poverty through their own group memberships and apparent behavioural choices.

For example, schools in poor neighbourhoods may have lower status and funding, which perpetuates lower educational achievement and contributes to a ‘cultural poverty trap’ that sits alongside the kinds of possible economic poverty traps we have outlined above.

In short, therefore, this theory argues structural factors determine the development of membership groups that, in turn, perpetuates the risk of poverty.

Having suggested a range of individual/structural explanations for the existence and persistence of poverty, the next thing we can usefully do is look at how different perspectives and theories have produced different solutions to poverty.